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RHMFISS/DEPT OF ENERGY WASHINGTON DC PRIORITY  
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 002153

SIPDIS

DEPT FOR EUR/RUS, FOR EEB/ESC/IEC GALLOGLY AND WRIGHT  
EUR/CARC, SCA (GALLAGHER, SUMAR)  
DOE FOR FREDRIKSEN, HEGBORG, EKIMOFF  
DOC FOR 4231/IEP/EUR/JBROUGHER

E.O. 12958: DECL: 07/25/2018 TAGS: [EPET](#) [ENRG](#) [ECON](#) [PREL](#) [RS](#)

----- SUMMARY -----

1.(C) TNK-BP Vice President for International Affairs Shawn McCormick told us late July 24 that CEO Bob Dudley left Moscow that evening after h  
----- DUDLEY LEAVES TOWN -----

2.(C) As widely reported in the press, TNK-BP CEO Bob Dudley left Moscow on July 24, planning to continue to manage the company from abroad. Ac

3.(C) McCormick explained that the administrative and legal harassment by GOR entities, which he said has been coordinated by AAR to pressure I

4.(SBU) An official BP statement expressed "regret" that the situation had lead Dudley to decide to leave, while BP Chairman Peter Sutherland r

5.(C) With Dudley trying to manage the very difficult task of running TNK-BP from an undisclosed location abroad and the company having lost th  
----- BP,S APPROACH: WAIT AAR OUT -----

6.(C) Graham acknowledged the threat of asset stripping but said BP was confident that it could rely on the &strong shareholder agreement" and

7.(C) Graham and McCormick both said that AAR was motivated by the desire to maximize short term profits, while BP wanted to grow the company.  
----- EXPAT DEPARTURES THREAT TO OPERATIONS -----

8.(C) Both McCormick and Graham felt that the AAR partners had overplayed their hand with respect to the foreign employees in TNK-BP. McCormick

9.(C) McCormick said Khan hired two search firms six weeks ago to recruit expats to replace the secondees and direct hire staff that AAR has, i  
----- AAR IN SECHIN,S SIGHTS? -----

10.(C) Graham underscored for us once more what a tremendous success TNK-BP has been. It leads Russian oil companies by almost any metric of op

11.(C) TNK-BP,s continued success was the subject of remarks by Deputy Prime Minister Sechin on July 24, reported in the Russian press, in whic

12.(C) In addition, Graham told us AAR needs BP -- "they chose us, not the other way around." He said AAR,s overseas expansion plans have alrea

13.(C) According to Graham, BP believes that AAR is being used by the government to "soften" BP in advance of negotiations leading to some form  
----- COMMENT -----

14.(C) Dudley's departure is likely to allow AAR to act with a much freer hand, whether it has the legal authority to do so or not. However, TN